

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF
DIRECTORS
OF THE BRISTOL COUNTY WATER AUTHORITY**

Wednesday, October 10, 2012

450 Child Street, Warren Office, Warren, RI

Pursuant to proper notice, the Special Meeting of the Board of Directors of the Bristol County Water Authority was called to order by Chairman Klepper at 5:15 pm, 450 Child Street, Warren Office, Warren, Rhode Island. Executive Director Pamela Marchand, Legal Counsel Ms. Sandra Mack and the following Directors were in attendance at the commencement of the meeting:

Robert Allio, Paul Bishop, Joseph DeMelo, Kevin Fitta, William Gosselin, John Jannitto, Allan Klepper, Raymond Palmieri, Frank Sylvia

Directors absent – None

1. Public Input, the Chair recognized Mr. Gary Morse who questioned the high leakage rate (15%) of BCWA.

Executive Director Ms. Marchand stated that BCWA will be doing a

leak detection survey this fall which will help to bring the unaccounted for water percentage down.

2. Annual Pension Report Presentation Year-end 6/30/12 – Robert Bostian

Mr. Bostian stated that the BCWA Pension Plan, Pension Year 2012, is well funded. BCWA began the year with \$6.1 million, and made a plan contribution of \$192,000. There was a \$2.2 million distribution of benefits, with the plan closing at \$4 million. Historically BCWA has followed the recommendation of Mr. Bostian.

3. Rate Study Presentation – Municipal Financial Services Group, The Chairman introduced Mr. Michael Maker and Mr. Edward Donahue who explained the purpose of their presentation: to identify the revenue needed to support BCWA and how setting rates can be structured to meet that revenue target. He explained that the overall objective was to make sure that the rates are stable and financially sound, and to prepare a long-term plan for a sustainable system and confirm that costs are allocated appropriately among customers. The rate setting process will be to identify the revenue requirements, allocate costs among customers, design the rate structure and finally recommend rates and a financial plan.

4. Capital Plan, Executive Director P. Marchand presented a 20 year capital plan broken into 5 year increments. She noted that the objective of the 20 year capital plan is to show that BCWA is

committed to a long term maintenance system, and that it is required to be submitted by RIDOH every 5 years. There are a number of programs starting in the next few years. These programs include a computer system that includes GIS, central management system, customer service program and SCADA system. Also, rehab work must be done at the pump stations, the WTP, and upgrade of the dams. She noted that BCWA previously voted to contribute its 25% portion of the cost of the engineering design of the Pawtucket Pipeline with East Providence and the State.

5. Finance Plan, Manager of Accounting and MIS, M. Champagne presented his report. He noted that the finance plan supports the capital plan. Money could be borrowed with interest only payment for a limited period of time and phased in during the next five years. Funding of some capital projects could be done in 2014. Executive Director P. Marchand stated that 4 additional employees will need to be hired for this plan. Director Sylvia asked that this information be provided to the Board in writing.

Executive Director P. Marchand stated that BCWA would need rate increases, estimated to be approximately 10% next year then 3% the following 8 years. Chairman Klepper stated that many of the changes being discussed were requested by the town councils as a result of the B&E Report.

Item to remain on the agenda.

6. Strategic Plan, Director Allio stated that all the strategic, capital and finance plans should be approved by the Board. Legal Counsel S. Mack stated that the Strategic Plan should be considered together with the capital and finance plans since they support the strategic plan. The plans should work together.

Item to remain on the agenda.

7. Recording of Meetings – Update, Executive Administrative Assistant C. Harper spoke with Mr. Rebbechi of ‘On The Record’. He will be able to record our meetings at no cost, he relies on sponsors to cover his cost, and distribute to cable stations. There will be a link on BCWA’s website to view the meetings on his website.

Item to remain on the agenda.

8. RFP – MIS – Update, RFP will be ready at the end of the month.

9. Customer Information Request, Engineering Technician S. Andrade explained that a customer on 65 Lamson Road, Barrington had requested a 32’ main extension to reach her property. She is currently on a well. It is her responsibility to hire a contractor to connect to the water main, said Ms. Andrade.

10. RFP-Pension Fund Investment Services, Mr. Champagne stated

that the RFP for Pension Fund Investment Services will be ready at the end of the month. Mr. Champagne is also working on the RFP for Audit Services.

11. Poppasquash Road, Bristol – Update, Executive Director P. Marchand stated she is working with Pare Engineering, on a 3 Phased plan. Pare has worked at Colt State Park and the bike path and is familiar with the area. The design study will cost \$10,000. The Town of Bristol has indicated that it will pay to install the main, but there has been no further communication. BCWA is responsible for the water main to provide potable water but is not responsible for providing fire protection.

Director Sylvia - a meeting will be held 10/17/12 in Bristol to discuss this matter, he will ask the council for reimbursement of the \$10,000.

Consensus of the Board to ask Bristol to reimburse BCWA the \$10,000 for the engineering cost before the cost is incurred.

Chairman Klepper stated he had an item to add to the agenda concerning a last minute request by the Dept of Health for adoption of an amendment to a previous resolution of the Board. He reminded the directors that a matter may be added to the agenda upon a majority vote. Upon a motion duly made Director Sylvia, seconded by Director DeMelo

MOTION: To add to the agenda consideration for an amended resolution relating to borrowing for the Franklin Street Project.

Motion passed unanimously.

Legal Counsel S. Mack explained that in May 2012 the Board approved an authorization to borrow \$500,000 for a number of projects, including Franklin Street Project. Since the bids came in higher for the Franklin St Project all of the funds will be used solely for Franklin Street, the debt service reserve fund and costs of issuance. The Department of Health has requested BCWA to both amend the Certificate of Approval to clarify its use of funds, and to amend the original borrowing Resolution for the same purpose. Ms. Mack submitted the revised resolution, and asked that the board adopt the resolution in the form presented.

Upon a motion duly made by Director Jannitto and seconded by Director Sylvia it was

**VOTED: To amend the description of the project, as presented in the Certificate of Approval, and to adopt the AMENDED
RESOLUTION OF THE BOARD OF DIRECTORS OF
THE BRISTOL COUNTY WATER AUTHORITY APPROVING
THE FINANCING OF IMPROVEMENTS TO THE BRISTOL COUNTY
WATER AUTHORITY WATER SYSTEM AND APPROVING THE
ISSUANCE OF GENERAL REVENUE BONDS, 2012 SERIES**

THEREFORE IN AN AMOUNT NOT TO EXCEED \$500,000

Motion passed unanimously.

The Board took a break at this time.

Director Sylvia left the meeting at 9:00 pm.

A motion was made by Director Jannitto and seconded by Director DeMelo

MOTION: To go into Executive Session, under RIGL 42-46-5 (2) to discuss potential claims.

All presented voted Aye.

The Board entered Executive Session at 9:15 pm

The Board returned to open session at 10:05 pm.

The Chairman made the following motion, which was duly seconded

MOTION: To adjourn the meeting.

Motion passed unanimously.

There being no further business, the meeting was adjourned at 10:05 pm.

Kevin Fitta

Secretary

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